

### **ENDORSEMENT/SPONSORSHIP AGREEMENT**

This Endorsement/Sponsorship Agreement ("Agreement"), dated as of July 1, 2014, is hereby entered into between adidas America, Inc. ("adidas"), an Oregon corporation with its principal place of business at 5055 N. Greeley Avenue, Portland, Oregon 97217, and University of Louisville Athletic Association, Inc. ("University").

WHEREAS, the University operates an intercollegiate athletics program involving several sports.

WHEREAS, adidas wishes to supply adidas Products, as defined below, to the University's athletic programs; to acquire the designation for certain adidas Products as the official Products of the University in the designated categories; to secure the services of University's Athletic Program Staff to endorse and promote adidas' products; and to acquire certain endorsement rights from University.

WHEREAS, University wishes to grant such rights, authorize such services, and accept such benefits.

NOW, THEREFORE, in consideration of the premises and representation made herein, the parties agree as follows:

1. **Definitions.**

The terms below are defined as follows:

A. "adidas" means adidas, its Affiliates (defined below), and any successor company.

B. "adidas Products" means all Products in connection with which, or upon which, the adidas Trademarks (defined below) appear.

C. "adidas Trademarks" means any name, logo, symbol, trademark or service mark, or brand licensed, owned or controlled (at any time) by adidas, including but not limited to the adidas name, Trefoil, 3-Stripes mark, Sport Heritage logo, Sport Performance logo, and Sport Style Logo.

D. "Affiliate" means any corporation, partnership, company or any other entity or person which controls, is controlled by, or is under common control with a party to this Agreement.

E. "Athletic Program Staff" means any and all individuals employed by or directed to act on behalf of the University Athletic Programs (defined herein), included but not limited to staff, coaches, trainers, and strength and conditioning employees.

F. "Authentic Competition Apparel" shall mean all on-field, on-court, sideline, courtside, competition or practice apparel that is worn or used by Athletic Program Staff, Coaches or Teams (and any replica(s) thereof), including but not limited to uniforms, courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, headwear (including wool and fitted caps), windsuits, rainsuits, and sideline or courtside pants, shorts or shirts.

G. "Coach(es)" means the individual(s) employed by the University during the Contract Term to act as head coach or assistant coach of each University Athletic Program (defined herein).

H. "Coach Endorsement" means the name, nickname, initials, autographs, voice, facsimile signature, photograph, likeness, character, image or facsimile image, video and film portrayals of Coach, and other similar means of endorsement which are considered standard in the sports marketing industry.

I. "Contract Territory" means the entire world.

J. "Contract Year" means any twelve-month period from July 1 to June 30 during the Contract Term.

K. "Competitor" means any person, entity or organization who or which, now or in the future, manufactures, markets, licenses, produces and/or distributes products or services within the same or similar product categories as any Products, including but not limited to Nike, Converse, Hurley, Under Armour, Puma, Reebok, and New Balance, and any affiliate(s) or subsidiary(ies) of such party).

L. "Licensed Products" means all Products that bear the Marks (defined herein).

M. "Marks" means and includes all names, logos, trademarks, and/or symbols owned by or proprietary to University, as designated in Exhibit A.

N. "Net Sales" (i) shall consist of the sum of wholesale and retail sales, whereas wholesale shall mean gross revenues from all sales of Products by adidas Group companies to third party customers (excl. sales of adidas own retail stores) reduced only by excise or indirect taxes (e.g. VAT and turnover taxes), returns as credited to third party customers, usual cash, trade and sales discounts and allowances, insurance cover and freight out if invoiced separately. The retail sales of the Products will be calculated based on the retail quantities of Products sold in adidas own retail stores times the average wholesale price over all Products sold via wholesale distribution channels during the respective reporting period. (ii) The calculation of retail sales of Products based on the average wholesale price will apply as soon as the technical system environment at adidas provides the information of units sold per article



via adidas own retail stores. (iii) Until then, "Net Sales" shall mean gross revenues from all sales of Products (sold via wholesale and retail distribution channels) by adidas Group companies to third party customers reduced only by excise or indirect taxes (e.g. VAT and turnover taxes), returns as credited to third party customers, usual cash, trade and sales discounts and allowances, insurance cover and freight out if invoiced separately.

O. "Products" means all apparel, footwear and accessories of an athletic, athleisure and casual nature, including but not limited to Authentic Competition Apparel, Performance Apparel, all sports equipment adidas currently produces or licenses including, but not limited to, protective eyewear, sunglasses, eyewear with performance attributes, watches and inflatables/balls, and, subject to Section 6.H, all other sports equipment that adidas does not currently produce or license but that may be added to its Product lines at any time during the Contract Term ("Additional Equipment").

P. "Performance Apparel" means all apparel with unique fabrications (e.g., compression, tight or padded apparel) and/or fabrications (e.g., moisture wicking) that assists the wearer during wear and/or use.

Q. "Team" means the group of students that comprises the personnel of each University Athletic Program (defined herein).

R. "University Athletic Program(s)" means and includes the following organized intercollegiate men's and women's teams and individual sports sponsored by the University: Basketball, Football, , Golf, Soccer, Swimming/Diving, Tennis, Cross Country, Track, Softball, Volleyball, Field Hockey, Lacrosse, Rowing, Cheerleading/Dance and all other NCAA sponsored sports, and any other sports University may add.

S. "University Endorsement" means "University of Louisville" "Louisville Cardinals" and all other names, logos, trademarks, depictions, and/or symbols associated with the University as set forth in Exhibit A in connection with the marketing, advertising, or sale of adidas Products.

2. **Term.** This Agreement shall remain in full force and effect from July 1, 2014 until June 30, 2018 unless sooner terminated in accordance with the terms and conditions of this Agreement (the "Contract Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements. Upon mutual agreement of the parties, the Contract Term may be extended by one Contract Year (i.e., the Contract Term may be extended to June 30, 2019), so long as such extension is agreed to in writing by July 1, 2016.

3. **Base Compensation.**

A. Subject to the provisions of subsection 3.B, 3.C and 6.C below and University's fulfillment of its obligations hereunder, adidas shall pay to the University annual Base Compensation in the amount designated below. Each Contract Year's Base Compensation shall be payable in equal semi-annual payments on August 15 and February 15 of each Contract Year.

<u>Contract Year</u>	<u>Base Compensation</u>
2014/2015	\$ 1,510,000
2015/2016	\$ 1,525,000
2016/2017	\$ 1,540,000
2017/2018	\$ 1,555,000
2018/2019	\$ 1,575,000*

\* Only applicable if the Contract Term is extended under Section 2.

The annual Base Compensation for each Contract Year includes any amounts payable to any University Coach pursuant to an adidas personal services agreement. Any amount of Base Compensation paid by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement.

B. If, for any reason, University is placed on probation by the NCAA, resulting in the prohibition of television appearances by University's Football or Basketball Teams, adidas shall have the right to reduce by one-half (1/2) the Base Compensation due hereunder for any period of probation.

C. If, for any reason, University is no longer a member of a BCS (or its successor) conference, then adidas shall have the right to equitably reduce the Base Compensation paid to University under this Agreement based on the loss of exposure as a result of such loss of membership.

#### **4. Incentive Compensation and Activation Amounts.**

A. adidas shall pay University bonus amounts set forth on Exhibit B in any Contract Year if University achieves any such during such Contract Year and exclusively wears and/or uses adidas Products during such achievement. Any bonus amounts paid by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement.

B. adidas shall make the following annual activation investments, either directly to mutually agreed upon vendors on behalf of University and/or payments directly to University via project invoicing, in the amount designated below. Such funds shall be used for mutually agreed upon activations (e.g., internship program).



<u>Contract Year</u>	<u>Activation Investment</u>
2014/2015	\$ 440,000
2015/2016	\$ 455,000
2016/2017	\$ 475,000
2017/2018	\$ 500,000
2018/2019	\$ 530,000*

\* Only applicable if the Contract Term is extended under Section 2.

Any activation investments or activation funds paid by adidas to any third party shall relieve adidas of such corresponding obligation to University under this Agreement.

**5. Product Support**

A. For each Contract Year, adidas agrees to supply University, at no cost, an allotment of adidas Products in the amount designated below, for use by the designated University Athletic Programs for team allotments, camps and clinics, and staff/coaches personal allotments. The dollar amount of adidas Products provided to University shall be measured at adidas standard wholesale prices. All Products to be supplied by adidas under this Agreement shall be delivered F.O.B. to University at no charge.

<u>Contract Year</u>	<u>Product Allotment</u>
2014/2015	\$ 1,865,000
2015/2016	\$ 2,275,000
2016/2017	\$ 2,425,000
2017/2018	\$ 2,615,000
2018/2019	\$ 2,780,000*

\* Only applicable if the Contract Term is extended under Section 2.

adidas agrees that University may carry forward up to One Hundred Thousand Dollars (\$100,000) worth of adidas Products (at adidas standard wholesale prices) from one Contract Year to the next subsequent Contract Year only; provided, however, that University shall not carry forward any adidas Products from the last Contract Year of the Contract Term.

University agrees that all other adidas Products shall continue to be purchased from adidas at wholesale cost minus 10%.

During each Contract Year, adidas agrees to supply the following adidas Products to specific University Teams, at no cost (the "Specific Product Allotment"):

<b>Football</b>
Strategy jerseys, pants, gloves, base layer, accessories, cleats
<b>Men's Basketball</b>
Home/Away/Alternate/Conference Uniform game jerseys & shorts
<b>Women's Basketball</b>
Home/Away/Alternate jersey & Shorts
<b>Baseball</b>
Alternate jersey/pant

During any Contract Year, the parties may mutually agree to allocate any unused Specific Product Allotment (if any) for product initiatives, post-season bowl, March Madness, or CWS uniforms/shoe.

Any amount of adidas Products provided by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement. University understands and agrees that it shall not resell any Products supplied to University by adidas, other than an annual commemorative merchandise auction or the equipment room's annual liquidation sale.

B. adidas agrees that all Products supplied hereunder for use by University Athletic Programs will comply with the provisions of NCAA regulations 12.5.4 of the then current NCAA Manual and any subsequent versions regarding manufacturer's logos and trademarks. Notwithstanding the foregoing, if any governing body that has jurisdiction over University, including the NCAA or governing athletic conference of which University is a member, enacts, replaces or amends any regulations, rules or restrictions applicable to manufacturer's logos or trademarks (including but not limited to NCAA Regulation 12.5.4) and adidas' logo or trademark display rights are adversely diminished, restricted or limited by such regulation, rule or restriction, then adidas shall have the right to equitably reduce the Base Compensation paid to University under this Agreement based on the extent of such diminishment, restriction or limitation, or terminate the Agreement as provided in Section 12.

#### **6. Use of adidas Products.**

A. University shall make available to each Team the Products supplied by adidas, and shall require that each Team wear and/or use exclusively such adidas Products whenever participating in Team activities, including practices, games, clinics, and other University functions for which University ordinarily and usually supplies Products to the Teams. At all such functions, University shall prohibit the Team



members from wearing Products manufactured by companies other than adidas, or any such Products which have been altered to resemble adidas Products. University acknowledges that University's obligation that each Team exclusively wear and/or use adidas Products, as identified by adidas, shall be a material term of this Agreement. adidas acknowledges that Teams may be required to wear Competitor headwear and t-shirts during NCAA or conference championship locker room celebration moments ("Celebration Products") and such wearing Celebration Products shall not be a breach of this Agreement.

B. University acknowledges that "spatting," taping, or otherwise covering up any portions of any adidas logo or trademark on athletic footwear supplied by adidas (collectively, "Spatting") is inconsistent with the purpose and terms of this Agreement. University agrees that it will not permit such "spatting" or taping unless it has been medically prescribed and adidas has been so advised.

C. adidas agrees to work with any Team member experiencing problems in connection with the fit or performance of adidas shoes. In the event any Team member shall at any time suffer any physical injury, pain, or discomfort attributed to the use of adidas shoes due to a bona-fide medical condition as evidenced by a certification by the Team's physician which is serious enough to affect the athlete's performance, then University shall so advise adidas and afford adidas the opportunity to remedy the problem. If adidas is unable to provide such Team member with adidas shoes that can be worn reasonably satisfactorily, then adidas shall waive the exclusivity requirement of this Section 6 in such a specific case until adidas can remedy the problem, provided however, that such Team member shall completely cover all non-adidas logos, trademarks and brand indicia of any non-adidas shoes while wearing such non-adidas shoes. adidas further acknowledges that regardless of its efforts to provide Team members with suitable adidas shoes, it may be medically necessary in certain circumstances for a player to "spat" or tape his feet and/or ankles to allow such player to remain in competition, without opportunity for such notice to adidas (i.e., in-game injury). Such medically necessary procedure, should it occur, shall not constitute a breach of this Section 6. University agrees that University and its Coaches shall use its best efforts to eliminate the need for any unauthorized Spatting in the event it occurs during the term of this Agreement. If in accordance with the foregoing University is unable or unwilling to discontinue any pattern or practice of Spatting, then adidas shall have the option to immediately terminate this Agreement or, if such spatting concerns Team members of the football, basketball (men's or women's), or baseball Team, reduce the Base Compensation due hereunder as follows:

	% Reduction Amount
First occurrence of Spatting*	adidas shall first provide University with a written warning concerning Spatting (provided that if such Spatting occurs during a bowl, tournament or other post-season game, then a warning is not

	required hereunder and adidas may exercise any of its rights as contained herein without giving such warning)
Second occurrence of Spatting*	10% of annual Base Compensation for Contract Year in which such Spatting occurred.
Third occurrence of Spatting*	15% of annual Base Compensation for Contract Year in which such Spatting occurred.
Third occurrence of Spatting*+	25% of annual Base Compensation for Contract Year in which such Spatting occurred.
* cumulatively applied over the Contract Term + whether a first, second or third occurrence of Spatting, if Spatting occurs during a bowl, tournament or other post-season game, then the 25% reduction amount shall apply.	

D. University agrees to require its Athletic Program Staff to wear adidas Products exclusively during the Contract Term when acting in their official capacities as Coach or staff in activities where athletic or athleisure attire is appropriate, including but not limited to, practices and games, sports camps, being filmed on motion picture or video tape, and posing for photographs. The Athletic Program Staff shall not, during the course of its employment responsibilities, wear, use or in any way promote Products manufactured by or identifiable with any competitor of adidas. University acknowledges that University's obligation that its Athletic Program Staff exclusively wear and/or use adidas Products, as identified by adidas, shall be a material term of this Agreement. adidas hereby acknowledges that the wearing of other than athletic or athleisure shoes and apparel by any coach or staff in connection with their official duties as coach or staff of a University Athletic Program shall not constitute a breach of this Section 6. University shall not enter into or approve any endorsement contract between a member of the Athletic Program Staff and a competitor of adidas, and shall exercise its best efforts to prevent any member of the Athletic Program Staff from entering into such a contract.

E. University agrees that it shall not permit the trade name, trademark, logo, or any other identification of any person, company, or business entity other than adidas, the University, or, subject to adidas' reasonable right of approval, any recognized governing athletic conference of which University is a member, to appear on adidas Products worn or used by Coaches, Staff or Team members. University agrees that in no event shall the trade name, trademark, logo, or other identification of any manufacturer or seller of Products other than adidas be permitted to appear on any such adidas Products.



F. University agrees that at any sports camp or clinic it conducts or sponsors under the direction and supervision of any Coach, it will not sponsor, co-sponsor, or endorse Products manufactured or sold by any Competitor.

G. To the extent permitted by Kentucky Law, adidas shall not be liable to University for any injury or damage suffered from wearing or using adidas Products, except injury or damage resulting from adidas' negligent or willful acts.

H. University agrees that Exhibit C provides adidas with a listing of all agreements between University (or any of its Coaches) and third parties with respect to Additional Equipment that exist as of July 1, 2014 (each an "Existing Agreement"). University further agrees that with respect to Additional Equipment for which there is an Existing Agreement or the agreement with FootJoy for certain women's golf Products, without first providing written notice to adidas and providing adidas with the opportunity to match any third party offer for such Additional Equipment or women's golf Products and include such Additional Equipment or women's golf Products in the definition of Products, neither University (nor any of its Coaches) shall: (i) extend or renew any Existing Agreement or renewal of an existing agreement; or (ii) enter into a new agreement for Additional Products or women's golf Products with any third party after July 1, 2014. If University (or any of its Coaches) is not party to an Existing Agreement for Additional Equipment and adidas provides University with notice of its good faith intent to produce or license such Additional Equipment, then provided the University makes a good faith determination (for a product it currently uses) that the equipment is of a quality equal to or better than the current sports equipment used by University, and for a new product, that the quality meets the highest industry standards, then such Additional Equipment shall be included in this Agreement.

## **7. Endorsement Rights.**

A. University grants to adidas the right and license during the Contract Term to use the University Endorsement within the Contract Territory in connection with the advertisement, promotion, and sale of adidas Products. Except as otherwise provided herein, University shall retain all rights in and to University's name and endorsement.

B. adidas shall have the exclusive right throughout the Contract Term to advertise, publicly represent, market, and otherwise promote the fact that it is the exclusive supplier to University of the designated Products, including by identifying or referring to its Products as the "official [designated Product(s)] of University of Louisville" or similar representations.

C. University, on behalf of the Coach of each University Athletic Program, grants to adidas the exclusive right and license during the Contract Term and within the Contract Territory to use the Coach Endorsement in connection with the advertisement, promotion and sale of Products. Each Coach shall retain all other rights in and to his or her name and endorsement, and neither University nor any Coach shall be prevented

from using, permitting, or licensing others to use his or her name or endorsement in connection with the advertisement, promotion, or sale of any product or service other than Products.

D. Any use by adidas of the University Endorsement or the Coach Endorsement must be approved in advance by University, which approval shall not be unreasonably withheld.

**8. Promotional Appearances.**

A. If requested to do so by adidas, University shall make the Coach of each University Athletic Program available for up to two (2) appearances per Contract Year (except that University shall make the Coach of the men's basketball University Athletic Program available for up to three (3) appearances per Contract Year) in connection with the advertisement, promotion and sale of adidas Products. Such appearances may include, but are not limited to, appearances at clinics, celebrity events, and other public appearances. Except as provided below, neither University nor the Coach shall receive additional compensation for the appearances, it being understood and agreed to by the parties that the consideration for said appearances is encompassed by the compensation provided for in Section 3 above.

B. For each appearance described in subsection 8.A. above:

1. adidas agrees to pay all reasonable out-of-pocket expenses incurred by University and/or the Coach in connection with such appearance;
2. adidas shall give University at least thirty (30) days notice of the time and place adidas desires the Coach to appear;
3. adidas shall not schedule any appearance at a time which would conflict with the Coach's performance of his or her obligations as a college coach; and
4. No single appearance shall exceed twenty-four (24) hours in duration, exclusive of travel time, unless agreed upon to the contrary in advance.

**9. Licensed Products.**

A. University shall enter into or shall cause its licensing agent(s) to enter into and maintain in full force and effect during the Term, a retail license(s) granting adidas: (x) the exclusive right throughout the Contract Territory to manufacture and sell Authentic Competition Apparel that features the University Endorsement through any channel of retail distribution; (y) the non-exclusive right to manufacture and sell throughout the Contract Territory Products (other than Authentic Competition Apparel) that feature the University Endorsement through any channel of retail distribution; and (z) the exclusive right throughout the Contract Territory (except for Louisville



Sluggers/Hillerich Bradsby's right to manufacture and sell the three (3) models of close-back headwear worn on-field by University's men's baseball Team (whether fitted or flex fit)) to manufacture and sell close-back headwear (whether fitted or flex fit) that features the University Endorsement through any retail location or distribution channel (including but not limited to any brick and mortar shop, catalogs, the Internet or University's bookstore(s)) owned or controlled by the University. University further agrees that: (i) the royalty rate payable by adidas with respect to any such license(s) shall not exceed fourteen percent (14%) of Net Sales; (ii) adidas Products shall be the exclusive Authentic Competition Apparel, Performance Apparel and close-back headwear (whether fitted or flex fit) (except for Louisville Sluggers/Hillerich Bradsby's right to manufacture and sell the three (3) models of close-back headwear worn on-field by University's men's baseball Team (whether fitted or flex fit)) sold through any retail location or distribution channel (including but not limited to the brick and mortar shops, catalogs or the Internet) owned or controlled by the University's athletic department; (iii) University shall ensure that the University's bookstore(s) will purchase on an on-going basis a mutually agreed upon (but non-de minimis) portion of its inventory of t-shirts, fleece and headwear from adidas; (iv) that neither University nor its licensing agent(s) shall enter into any agreement or understanding with any Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement; (v) if University or its licensing agent(s) is (as of the effective date of this Agreement) party to any agreement with a Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement, then neither University nor its licensing agent(s) will renew or extend such agreement(s); (vi) no royalty shall be paid on Products provided by adidas under this Agreement; (vii) neither University nor its licensing agent(s) shall license any third party to manufacture or sell Products that are sport specific Products or that copy or resemble adidas Products; and (viii) adidas will be recognized and classified as University's provider for all Products for University Athletic Programs special events (e.g., Midnight Madness). adidas acknowledges that Celebration Products may be manufactured and sold by a Competitor pursuant to an NCAA Celebration Products licensing program and such manufacturing and sales of Celebration Products shall not be a breach of this Agreement.

Each Contract Year, adidas agrees to pay University a guaranteed minimum royalty in the amount set opposite each such Contract Year:

<u>Year</u>	<u>Guaranteed Minimum Royalty</u>
2014/2015	\$ 235,000
2015/2016	\$ 245,000
2016/2017	\$ 255,000
2017/2018	\$ 265,000
2018/2019	\$ 275,000*

\* Only applicable if the Contract Term is extended under Section 2.

The royalty owed by adidas to University pursuant to this Section 9.A. shall be applied against the above guaranteed minimum royalty amounts.

B. adidas and the University agree that the sale of products, except those directly supplied to the University under this Agreement, shall be subject to licensure by the University and royalty payments by adidas.

C. University acknowledges and agrees that adidas shall not be required to make royalty payments or donations on Licensed Products supplied directly to University under the terms of this Agreement.

D. Throughout the Contract Term, adidas shall remain a current licensee in good standing of the University as administered by University's Office of Trademark Licensing or its designee. Notwithstanding the foregoing, University retains all license rights not granted herein.

E. For the sake of clarity, if there is any conflict between the terms and conditions of this Agreement and any agreement between adidas (or its Affiliates) and University's licensing agent(s), then University acknowledges, and agrees to instruct its licensing agent(s), that the terms of this Agreement shall control.

10. Disparagement of Products. University shall not, during the Contract Term and for a period of two (2) years following the termination or expiration of this Agreement, disparage the adidas brand name, adidas Products, or adidas. This paragraph shall survive the termination or expiration of this Agreement.

11. Promotional Obligations of University. University shall fulfill the additional promotional obligations as set forth in Exhibit D, attached hereto and incorporated by reference.

12. Rights of Termination.

A. adidas shall have the right to terminate this Agreement immediately upon written notice to University in the event that:

1. Members of any Team fail to wear or use adidas Products as required herein, or wear adidas Products altered, spatted, or taped in violation of the provisions of Section 6 hereof, provided, however, that adidas shall have first issued written notice to University of any such violation of the provisions of Section 6, which violation shall then recur during the same Contract Year;



2. Any Coach fails to perform any material obligations provided for in this Agreement and University fails to cause such Coach to cure such breach (if curable) within ten (10) days of University's receipt of written notice from adidas;

3. The NCAA, or any other governing body of intercollegiate sports, prohibits any Team members from wearing adidas athletic footwear displaying the adidas name or any adidas trademark or logo;

4. Any coach or Team is suspended or otherwise subjected to major disciplinary action by the NCAA; or

5. University or the Football or either Basketball coach attracts publicity which in the good faith and reasonable judgment of adidas based on objective facts has an adverse effect upon the status or reputation of University/Coach, the value of University to adidas, or adidas.

C. The University shall have the right to terminate this Agreement immediately upon written notice to adidas in the event that:

1. adidas is adjudicated insolvent or declares bankruptcy; or

2. adidas breaches any material terms of this Agreement and fails to cure such breach within forty-five (45) days of written notice from University; or

3. adidas fails to make payment to the University of any sum due to this Agreement within sixty (60) days following adidas' receipt of such written notice from the University that such payment is due.

D. In the event of any termination by adidas pursuant to this Section 12, University shall not be entitled to any further compensation hereunder, except any unpaid Base Compensation (as reduced by any amounts paid or payable to any University Coach pursuant to an adidas personal services agreement which relieved adidas of such corresponding obligation to University under this Agreement as provided herein) earned prior to the effective date of termination, pro-rated and calculated to the effective date of termination. Alternatively, adidas shall have the right to receive from University reimbursement for Base Compensation, if any and as reduced by any amounts paid or payable to any University Coach pursuant to an adidas personal services agreement which relieved adidas of such corresponding obligation to University under this Agreement as provided herein, paid in excess of the amount to which University would be entitled if the Base Compensation were pro-rated over the Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

13. Unique Services/Assignability. University acknowledges that the endorsement and promotional services provided to adidas under this Agreement are special and unique and that loss of such services may cause irreparable harm to adidas.

Accordingly, University shall not delegate the obligations of this Agreement. Neither party may assign this Agreement without the express written approval of the other party; provided, however, that addidas may assign its rights under this Agreement to any corporation, partnership or other entity or person which controls, is controlled by, or is under common control with addidas.

14. **Confidentiality.** University acknowledges that the contents of this Agreement contain certain confidential matters, including proprietary and commercial information belong to addidas. Other than regular open records requests compliance, University shall not disclose the terms of this Agreement to any third party without addidas' prior written consent, unless University is required by law to do so. Notwithstanding the foregoing, University may disclose the terms hereof to its professional, financial and similar advisors provided that such other persons or firms are bound by agreement or law not to further disclose such information to any third party.

15. **Dispute Resolution.** The parties agree that any dispute concerning the interpretation, construction, or breach of this Agreement shall be submitted to a mediator agreed upon by the parties for nonbinding confidential mediation at a mutually agreeable location. Unless otherwise required by law, neither party shall disclose any aspect of the dispute or the mediation without the other party's prior written consent. If the parties fail to resolve their dispute through mediation, then the parties agree that the dispute shall be submitted to a court of competent jurisdiction. The rights and obligations of the parties shall be determined in accordance with the laws of the Commonwealth of Kentucky.

16. **University/addidas Relationship.** Each party's performance of services hereunder is in its capacity as an independent contractor. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership or joint venture relationship between University and addidas. University shall be solely responsible for the payment of all taxes on any compensation received under this Agreement. Provided, however, the University shall only be responsible for taxes imposed directly upon it.

17. **Waiver.** Failure of either party to enforce any provision of this Agreement shall not be construed to be a waiver of such provision or otherwise limit the parties right to subsequently enforce such provision.

18. **Right of First Dealing and First Refusal.** Beginning one hundred eighty days (180) days before the beginning of the last Contract Year, University shall periodically meet with addidas to negotiate in good faith the renewal of this Agreement ("First Dealing Period"). Said First Dealing Period shall extend for a period of ninety (90) days. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms during the First Dealing Period. University shall not (nor shall University permit University's agents, attorneys, accountants, representatives or employees to) engage in discussions or negotiations with any third party regarding



University's wearing, sponsoring, promoting, advertising or endorsing, or providing consulting or similar services with respect to, any Products after the Contract Term at any time during the Contract Term until the conclusion of the First Dealing Period. Following the conclusion of the First Dealing Period and continuing through June 30, 2018 (or June 30, 2019, if the Contract Term is extended under Section 2), University agrees to refrain from entering into an endorsement or similar agreement with any Competitor without first giving adidas an opportunity to enter into an agreement with University for such rights on the terms and conditions proposed by such Competitor that are material, measurable and matchable terms and conditions ("Third Party Terms"). University shall provide adidas in writing (on third party letterhead, unaltered and unredacted) with the Third Party Terms it receives. adidas shall have thirty (30) days from its receipt of such Third Party Terms to match or better such Third Party Terms. If adidas matches or betters such Third Party Terms, then University will enter into a new agreement with adidas on such Third Party Terms, the better terms and other standard adidas terms and conditions. If adidas fails to match or better such Third Party Terms, then University shall enter into an agreement with such third party on the Third Party Terms that adidas failed to match or better.

19. **Notices.** All notices and statements provided for herein shall be in writing and shall be given in writing by overnight delivery (e.g., Fed Ex or UPS) and shall be deemed given upon receipt. A party may change its address by giving notice thereof to the other party as provided herein.

To University:                      University of Louisville Athletics  
2100 S. Floyd St., Suite E301  
Louisville, KY 40292  
Attn: Athletic Director

to adidas:                              adidas America, Inc.  
5055 N. Greeley Avenue  
Portland, OR 97217  
Attn: Legal Department  
Fax No.: (971) 234-4420

20. **Entire Agreement; No Third Party Beneficiaries.** This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and cannot be amended or modified except by an agreement in writing, signed by an authorized representative of each of the parties. All previous understandings or agreements between the parties shall have no further force and effect. This Agreement is solely for the benefit of the parties hereto and is not intended to (and does not) confer upon any person or entity other than the parties hereto any rights or remedies hereunder or otherwise. This Agreement may be modified, amended, or waived only by a written agreement signed by an authorized representative of each of the parties.

21. **Severability.** Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not effect the validity of the remainder of this Agreement or any other provision.

22. **Indemnification.** Any liability of the University to indemnify adidas shall be in accordance with Kentucky Revised Statutes KRS 44.070 to 44.160 (Board of Claims Act) and KRS 45A.245 through 45A.275 (Control Claims Act).

adidas shall defend, indemnify and hold harmless the University, its trustees, officers, employees and agents from and against all losses and expenses (including reasonable cost of attorney's fees) by reason of liability imposed by law upon adidas for damages because of bodily injury, including death, personal injury, including data loss at any time resulting there from, sustained by any person or persons including adidas' employees, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the negligent or intentional action or omission, or willful misconduct of adidas, provided however, that nothing contained herein shall require adidas to indemnify the University for such injuries to persons or damage to property arising out of, or in consequence to the negligent or intentional action, omission or willful misconduct of the University, its officers, employees and agents.

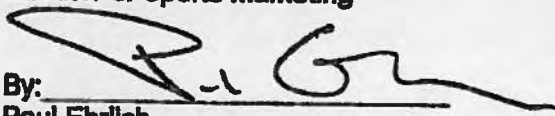
23. **Conflict of Interest.** Firms are required to disclose any potential conflict of interest. If the owner of the firm is related to a University of Louisville employee, that relationship must be disclosed in writing. Definition of Related Person: Related person to a University employee means a spouse or dependent child of such employee.

The term extends to other individuals sharing the same household as well as sibling, parents and non-dependent children (including step and in-law variations of those relationships) in circumstances where the University employee has actual knowledge that such relative is likely to or will benefit from a particular University transaction.


IN WITNESS WHEREOF, the undersigned authorized representatives of the parties have duly executed this Agreement as of the date first above written.

adidas:

By:   
Chris McGuire,  
Director of Sports Marketing

By:   
Paul Ehrlich,  
General Counsel

University of Louisville Athletic  
Association, Inc.:

By:   
Tom Jurich,  
Vice President/Athletics Director



## Exhibit A

### UNIVERSITY MARKS

**Exhibit B  
INCENTIVE COMPENSATION**

<b>Bonus Plan: Football</b>		
College Football National Champions	\$300,000 <sup>A</sup>	
College Football playoff semifinal game participant	\$100,000 <sup>A</sup>	
ACC Conference Champions	\$50,000	
ACC or any National Coach of the Year	\$50,000	
Top 10 ranking (Conclusion of Post-Season)	\$50,000	
<b>Bonus Plan: Men's Basketball</b>		
NCAA Champions	\$300,000 <sup>A</sup>	
Final Four Participant	\$150,000 <sup>A</sup>	
Elite 8	\$75,000 <sup>A</sup>	
Sweet 16	\$50,000 <sup>A</sup>	
ACC Regular Season Champs	\$25,000	
ACC Conference Champions	\$50,000	
NCAA or ACC Coach of the Year	\$15,000	
<b>Bonus Plan: Women's Basketball</b>		
NCAA Champions	\$200,000 <sup>A</sup>	
NCAA Final Four Participant	\$50,000 <sup>A</sup>	
Elite 8	\$25,000 <sup>A</sup>	
ACC Regular or Tournament Conference Champions	\$20,000	
NCAA or ACC Coach of the Year	\$15,000	
<b>Other: Olympic Sports</b>		
Team National Champions	<u>Tier 1 #</u>	<u>Tier 2 *</u>
NCAA Final Four or CWS of given sport	\$25,000 <sup>A</sup>	\$10,000
ACC Conference Champions (team)	\$15,000 <sup>A</sup>	\$7,500
	\$10,000	\$5,000

<sup>A</sup>Non-Cumulative Per Applicable Grouping (i.e., only the highest incentive will be paid).

# Tier1 = Baseball, Lacrosse, Softball, Volleyball, Men's Soccer

\* Tier2 = Women's Soccer, Field Hockey, Track&Field/Cross Country, Swim/Dive, Cheer/Dance, Golf (Men's & Women's), Tennis



**Exhibit C  
EXISTING AGREEMENTS**

Louisville Slugger / Hillerich Bradsby for 80 bats and three (3) models of close-back headwear 200 total worn on-field by University's men's baseball Team (whether fitted or flex fit); plus fielding gloves, batting gloves, catching gear, helmets, and bat bags.

**STX Lacrosse equipment**

- 40 Custom Complete sticks with handle and STX pocket of choice
- 36 Protective eyewear
- 5 Goalie sticks

Field gloves, Sets of goalie equipment (Set includes: GK gloves, chest protector, shin guards, throat protector and goalie pants), dozen yellow lacrosse balls (1 case), Women's coach's clipboards, Shooting nets, string kits, Ball bags

Rowing equipment – Pocock/Nike boat shoes, Boathouse/JLDesigns gear (through adidas), heart rate monitors, 2XU/Skins compression, Oakley eyewear from student-athlete personal use

Swimming suits – TYR company (regular season)

University of Louisville Golf Club pro shop – various apparel & non-apparel

**Exhibit D**  
**PROMOTIONAL OBLIGATIONS**

As the exclusive footwear, apparel and accessories product supplier of UNIVERSITY, each Contract Year UNIVERSITY shall provide adidas with the following promotional benefits at no additional cost to adidas except as otherwise indicated:

(a) UNIVERSITY Advertisements for adidas. Representatives of UNIVERSITY and adidas will cooperate to produce agreed copy to be published, displayed, or announced as described below at UNIVERSITY expense each Contract Year:

1) UNIVERSITY shall provide adidas with one full page of advertising space in the UNIVERSITY football program for the company's camera-ready advertisement, as well as an appropriately sized space in other event programs as available.

3) UNIVERSITY shall provide adidas with one (1) 30 second advertisement during any radio broadcast of regular season games in the sports of football, men's basketball, and women's basketball, and baseball as the exclusive provider of Products for the UNIVERSITY team.

(b) adidas shall receive tickets to home games, neutral site games, post-season games that University plays in, and parking passes as indicated below:

Program	No. Tickets
Football (home)	12 and 2 parking passes
Men's Basketball (home)	8
Women's Basketball	4 (prime locations)
Baseball, if applicable	4 (prime locations)
Volleyball	4 (prime locations)
Soccers & All Remaining Sports	4 to each home game or event
Football (bowl)	8
Men's Basketball (tournament)	6 ACC tournament 4 2 <sup>nd</sup> /3 <sup>rd</sup> Round NCAA 6 Sweet16/Elite8 NCAA 8 Final Four
Women's Basketball (tournament)	4 each round of play
CWS Baseball (tournament)	4 each round of play



Volleyball (tournament)	4 each round of play
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- (c) A hospitality event for football and basketball adidas Game-day ticket holders (which may include, for example, a welcome reception, any catering to be at adidas' expense, and/or tour of facilities).
- (d) The opportunity to stage one (1) pre-game promotional event and/or contest around designated home games/competitions.
- (e) Reasonable access to Intercollegiate Athletic Program activities, where appropriate, for the purpose of shooting game photos or game footage and/or conducting and taping post-game interviews.
- (f) adidas shall be permitted, upon its reasonable request, to use mutually agreed upon UNIVERSITY facilities in connection with mutually agreed community based programs and events held by adidas.
- (g) In addition to the above, UNIVERSITY shall afford adidas advance notice and the opportunity to consider participation in any and all additional appropriate advertising opportunities, in any media, made available by UNIVERSITY during the Term, with incremental investments facilitated through UNIVERSITY'S multimedia partner.
- (h) One prominently visible signage available at each venue of a Team, including at the recently built Soccer Stadium.

October 30, 2014

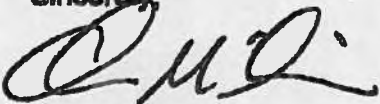
University of Louisville Athletics  
2100 S. Floyd St., Suite E301  
Louisville, KY 40292  
Attn: Athletic Director

Dear University of Louisville,

I am writing in connection with the Endorsement/Sponsorship Agreement ("Agreement"), dated as of July 1, 2014 entered into between adidas America, Inc. ("adidas") and University of Louisville Athletic Association, Inc. ("University").

In addition to the terms and conditions of the Agreement, adidas agrees that on January 15, 2015 it shall make a one-time payment to University in the amount of eighty-five thousand dollars (\$85,000) to subsidize University internship programs. A breach by either party of their obligations pursuant to this letter agreement shall be deemed a breach by that party of the Agreement.


Sincerely,



Chris McGuire  
Director, adidas Sports Marketing

UNDERSTOOD AND AGREED:

UNIVERSITY

X   
By: Thomas Jurich, VP/AD  
Date: 10/30/14



**AMENDMENT NO. 1 TO THE  
ENDORSEMENT/SPONSORSHIP AGREEMENT**

This Amendment No. 1 to the Endorsement/Sponsorship Agreement (the "Amendment") is made and entered into as of July 1, 2018 (the "Effective Date"), by and between adidas America, Inc. ("adidas"), an Oregon corporation with its principal place of business at 5055 N. Greeley Avenue, Portland, Oregon 97217, and University of Louisville Athletic Association, Inc. ("University").

**BACKGROUND**

adidas and University are parties to the Endorsement/Sponsorship Agreement entered into as of July 1, 2014 (the "Agreement"). The parties desire to amend the Agreement as follows:

**TERMS AND CONDITIONS**

1. Section 1.K. of the Agreement shall be deleted in its entirety and replaced by the following:

""Competitor" means Nike, Reebok, Puma, Under Armour, New Balance, Li-Ning, Asics, Anta, Russell, Columbia, Starter and Hurley, and their respective parents, subsidiaries and affiliates."

2. Section 1.P. of the Agreement shall be deleted in its entirety and replaced by the following:

""Performance Apparel" means all apparel with unique fabrications (e.g., compression, tight or padded apparel) and/or fabrications (e.g., moisture wicking) that assists the wearer during wear and/or use, specifically excluding, but not limited to, any golf polo manufactured by Antigua, Cutter & Buck, and Peter Millar and any other mutually agreed on manufacturers."

3. Section 2 of the Agreement shall be deleted in its entirety and replaced by the following:

"This Agreement shall remain in full force and effect from July 1, 2018 until June 30, 2028 unless sooner terminated in accordance with the terms and conditions of this Agreement (the "Contract Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements."

4. Section 3.A. of the Agreement shall be deleted in its entirety and replaced by the following:

"Subject to the provisions of subsection 3.B, 3.C and 6.C below and University's fulfillment of its obligations hereunder, adidas shall pay to the University annual Base Compensation in the amounts designated below. Each Contract Year's Base Compensation shall be payable in equal semi-annual payments on August 15 and February 15 of each Contract Year.

<u>Contract Year</u>	<u>Base Compensation</u>
2018/2019	\$ 10,000,000
2019/2020	\$ 10,000,000
2020/2021	\$ 10,000,000
2021/2022	\$ 7,000,000
2022/2023	\$ 7,000,000
2023/2024	\$ 7,000,000
2024/2025	\$ 7,000,000
2025/2026	\$ 7,000,000
2026/2027	\$ 7,000,000
2027/2028	\$ 7,000,000

The annual Base Compensation for each Contract Year includes any amounts payable to any University Coach pursuant to an adidas personal services agreement. Any amount of Base Compensation paid by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement.

5. Section 4.B. of the Agreement shall be deleted in its entirety and replaced by the following:

"No later than May 1 of each Contract Year (beginning in 2018/2019 Contract Year), adidas and University shall mutually agree on a written strategic plan concerning the allocation and use of the below annual activation fund for the following Contract Year. adidas shall timely (based on the payment terms of such invoice) make the following annual activation investments, either directly to mutually agreed upon vendors on behalf of University and/or payments directly to University via project invoicing, in the amount designated below. Such funds shall be used for mutually agreed upon activations,



including but not limited to the University/adidas internship program, agencies and adidas strategic brand initiatives.

<u>Contract Year</u>	<u>Activation Investment</u>
2018/2019	\$ 3,000,000
2019/2020	\$ 3,000,000
2020/2021	\$ 3,000,000
2021/2022	\$ 1,000,000
2022/2023	\$ 1,000,000
2023/2024	\$ 1,000,000
2024/2025	\$ 1,000,000
2025/2026	\$ 1,000,000
2026/2027	\$ 1,000,000
2027/2028	\$ 1,000,000

Any activation investments or activation funds paid by adidas to any third party shall relieve adidas of such corresponding obligation to University under this Agreement."

6. The following shall be added as Section 4.C. to the Agreement:

"University shall have the option for P3 and EXOS (provided that adidas has a relationship with such entity) to provide consulting services to University. adidas shall pay P3 and EXOS for all such services mutually agreed on by adidas and University.

7. The following shall be added as Section 4.D. to the Agreement:

"Based on the demand for University Products and adidas' customary retail policies and procedures regarding range assortment and product selection, adidas shall offer for sale University Products in adidas owned retail stores nationwide and include applicable point of sale materials. adidas agrees that it will use commercially reasonable efforts to involve University in adidas strategic brand initiatives throughout the Term and notify University of such initiatives as soon as reasonably practicable. Further, based on University's on-field performance, national marketability, and adidas' national category and brand initiatives, during each Contract Year, adidas will use commercially reasonable efforts to incorporate University into adidas national marketing opportunities, including but not limited to national advertising opportunities (e.g., brand or multi-property campaigns on TV, in print, retail or internet)."

8. Section 5.A. of the Agreement shall be deleted in its entirety and replaced by the following:

"For each Contract Year, adidas agrees to supply University, at no cost, an allotment of adidas Products in the amount designated below, for use by the designated University Athletic Programs for team allotments, camps and clinics, and staff/coaches personal allotments. The dollar amount of adidas Products provided to University shall be measured at adidas standard retail prices (except where otherwise denoted). All Products to be supplied by adidas under this Agreement shall be delivered F.O.B. to University at no charge.

<u>Contract Year</u>	<u>Product Allotment</u>
2018/2019	\$ 6,000,000
2019/2020	\$ 6,000,000
2020/2021	\$ 6,100,000
2021/2022	\$ 6,100,000
2022/2023	\$ 6,100,000
2023/2024	\$ 6,200,000
2024/2025	\$ 6,200,000
2025/2026	\$ 6,200,000
2026/2027	\$ 6,200,000
2027/2028	\$ 6,200,000

Starting in the 2018/2019 Contract Year, adidas agrees that University may carry forward up to One Hundred Fifty Thousand Dollars (\$150,000) worth of adidas Products (at adidas standard retail prices (except where otherwise denoted)) from one Contract Year to the next subsequent Contract Year only (e.g., carry over \$150,000 from the 2018/2019 Contract Year to the 2019/2020 Contract Year); provided, however, that University shall not carry forward any adidas Products from the last Contract Year of the Contract Term. Additionally, for each new Athletic Program added to University's Athletic Department, the Product allotments under this section shall increase by one hundred thousand dollars (\$100,000) for each Contract Year.

University agrees that all other adidas Products shall continue to be purchased from adidas at wholesale cost minus 10%.

During each Contract Year, University shall have the right to allocate a mutually agreed on portion of the above Product Allotment for adidas brand initiatives/moments, including but not limited to brand initiatives/moments such as post-season bowl, March Madness or CWS uniforms/shoes, and any of the following:

Football
Strategy jerseys, pants, gloves, base layer, accessories, cleats



Men's Basketball
Home/Away/Alternate/Conference Uniform game jerseys & shorts
Women's Basketball
Home/Away/Alternate jersey & shorts
Baseball
Alternate jersey/pant

Any amount of adidas Products provided by adidas to any University Coach shall relieve adidas of such corresponding obligation to University under this Agreement. University understands and agrees that it shall not resell any Products supplied to University by adidas, other than an annual commemorative merchandise auction or the equipment room's annual liquidation sale.

For the sake of clarity, the above amounts include inflatables for footballs and basketballs, and may subsequently include volleyballs and hardgoods for softball, baseball and lacrosse as mutually agreed to by the parties. University agrees to use good faith efforts to make adidas the exclusive provider to all University Athletic Programs, subject to its existing contractual arrangements with third parties and Section 6.H and Exhibit C of the Agreement."

9. The following shall be added as Section 7.E. to the Agreement:

"Any use of a University student-athlete's name, image, likeness, avatar, and/or appearance in connection with any adidas advertisement, communication (including social media), release, promotion, and/or sale of adidas products shall be pre-approved by University in compliance with NCAA Division I Bylaw 12.5. adidas acknowledges that impermissible use of a University student-athlete's name, image, likeness, avatar, and/or appearance may cause the student-athlete to be declared ineligible to compete for University. University retains the exclusive rights to modify or reject any proposed use of a University student-athlete's name, image, likeness, avatar, and/or appearance in relationship to this Agreement."

10. Section 9.A. shall be deleted in its entirety and replaced with the following:

"University shall enter into or shall cause its licensing agent(s) to enter into and maintain in full force and effect during the Term, a retail license(s) granting adidas: (x) the exclusive right throughout the Contract Territory to manufacture and sell Authentic Competition Apparel that features the University Endorsement through any channel of retail distribution; and (y) the non-exclusive right to manufacture and sell throughout the Contract Territory Products (other than Authentic Competition Apparel) that feature the University Endorsement through any channel of retail distribution. University further agrees that: (i) the royalty rate payable by adidas with respect to any such license(s) shall not exceed fifteen percent (15%) of Net Sales; (ii) adidas Products shall be the exclusive Authentic Competition Apparel and Performance Apparel sold through any

retail location or distribution channel (including but not limited to the brick and mortar shops, catalogs or the Internet) owned or controlled by the University's athletic department; (iii) that neither University nor its licensing agent(s) shall enter into any agreement or understanding with any Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement; (iv) if University or its licensing agent(s) is (as of the effective date of this Agreement) party to any agreement with a Competitor to manufacture, develop, market, distribute, license or sell licensed products that feature the University Endorsement, then neither University nor its licensing agent(s) will renew or extend such agreement(s); (v) no royalty shall be paid on Products provided by adidas under this Agreement; (vi) neither University nor its licensing agent(s) shall license any third party to manufacture or sell Products that copy or resemble adidas Products; and (vii) adidas will be recognized and classified as University's provider for all Products for University Athletic Programs special events (e.g., Midnight Madness). Provided that all Products do not include any Competitor logos, adidas acknowledges that Celebration Products may be manufactured and sold by a Competitor pursuant to an NCAA Celebration Products licensing program, or similar licensing program by the Atlantic Coast Conference, and such manufacturing and sales of Celebration Products shall not be a breach of this Agreement. adidas acknowledges that it shall not be a breach of this Agreement for Centerplate to act as an authorized adidas retailer.

Each Contract Year, adidas agrees to pay University a guaranteed minimum royalty in the amount set opposite each such Contract Year:

<u>Contract Year</u>	<u>Minimum Guaranteed Royalty</u>
2018/2019	\$ 450,000
2019/2020	\$ 450,000
2020/2021	\$ 450,000
2021/2022	\$ 450,000
2022/2023	\$ 450,000
2023/2024	\$ 450,000
2024/2025	\$ 450,000
2025/2026	\$ 450,000
2026/2027	\$ 450,000
2027/2028	\$ 450,000"

11. The following shall be added as Section 12.E. of the Agreement:

"(1) The parties agree that University will be an elite adidas university program when compared to other adidas university programs measured by: (a) any ranking system included in other adidas university program agreements; and (b) when University is compared to other adidas university programs during each comparable Contract Year, how much (i) cash is received during such Contract Year, (ii) product is received during such Contract Year, and (iii) marketing support is received during such Contract Year. If University is not an elite adidas university program (including but not limited to if



University is not an elite adidas university program because adidas includes any national ranking system in any other adidas university program agreements), then adidas shall notify University as soon as reasonably practicable and University shall enter into good faith negotiations with adidas to remedy such issue. The parties shall not be obligated to remedy such issue if they cannot settle on mutually satisfactory terms. If the parties cannot mutually agree on terms to remedy such issue within thirty (30) calendar days of entering into such good faith negotiations, then (within ten (10) calendar days of the conclusion of such good faith negotiations) University may terminate the Agreement. If the conclusion of such good faith negotiations is prior to November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the then current Contract Year and if the conclusion of such good faith negotiations is on or after November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the following Contract Year. Upon such notification to terminate (in either event), University may immediately enter into negotiations with a Competitor for an agreement that would be effective no sooner than the conclusion of such Contract Year or such following Contract Year, respectively. For the sake of clarity, it shall not be a breach of this Agreement if University is not an elite adidas university program.

(2) Notwithstanding the foregoing, if University determines (in good faith and based on objective evidence) that it is not being compensated as an elite adidas university program, then University shall enter into good faith negotiations with adidas to remedy such issue. The parties shall not be obligated to remedy such issue if they cannot settle on mutually satisfactory terms. If the parties cannot mutually agree on terms to remedy such issue within thirty (30) calendar days of entering into such good faith negotiations, then (within ten (10) calendar days of the conclusion of such good faith negotiations) University may terminate the Agreement. If the conclusion of such good faith negotiations is prior to November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the then current Contract Year and if the conclusion of such good faith negotiations is on or after November 1 of such Contract Year, then such termination shall be effective as of the conclusion of the following Contract Year. Upon such notification to terminate (in either event), University may immediately enter into negotiations with a Competitor for an agreement that would be effective no sooner than the conclusion of such Contract Year or such following Contract Year, respectively. For the sake of clarity, it shall not be a breach of this Agreement if University is not an elite adidas university program."

12. Section 18 of the Agreement shall be deleted and replaced with the following:

**"Right of First Dealing/Matching Rights.** Beginning one hundred eighty (180) days before the beginning of the last Contract Year (i.e., January 1, 2027), University shall periodically meet with adidas to negotiate in good faith the renewal of this Agreement ("First Dealing Period"). Said First Dealing Period shall extend for a period of ninety (90) days. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms during the First Dealing Period. University shall not (nor shall University's Athletic Department) permit its respective agents, attorneys, accountants, representatives or employees to) engage in discussions or negotiations

with any third party regarding University wearing, sponsoring, promoting, advertising or endorsing, or providing consulting or similar services with respect to, any Products after the Contract Term at any time during the Contract Term until the conclusion of the First Dealing Period. Following the conclusion of the First Dealing Period and continuing through June 30, 2028, Athletics agrees to (and that University will) refrain from entering into an endorsement or similar agreement with any Competitor without first giving adidas an opportunity to enter into an agreement with University for such rights on the terms and conditions proposed by such Competitor that are material, measurable and matchable terms and conditions ("Third Party Terms"). University shall provide adidas in writing (on third party letterhead, unaltered and unredacted) with the Third Party Terms it receives. adidas shall have thirty (30) days from its receipt of such Third Party Terms to match or better such Third Party Terms. If adidas matches or betters such Third Party Terms, then University will enter into a new agreement with adidas on such Thirty Party Terms, the better terms and other standard adidas terms and conditions. If adidas fails to match or better such Third Party Terms, then University shall enter into an agreement with such third party on the Third Party Terms that adidas failed to match or better."

13. EXHIBIT B of the Agreement shall be deleted in its entirety and replaced with the following:

**"EXHIBIT B  
INCENTIVE COMPENSATION**

**Bonus Plan: Football**

College Football National Champions	\$300,000^
College Football playoff semifinal game participant	\$100,000^
Conference Champions	\$50,000
College Football Coach of the Year	\$25,000

**Bonus Plan: Men's Basketball**

NCAA Champions	\$300,000^
Final Four Participant	\$150,000^
Conference Champions	\$50,000
NCAA Coach of the Year	\$25,000

**Bonus Plan: Women's Basketball**

NCAA Champions	\$200,000
NCAA Final Four Participant	\$75,000
Conference Champions	\$25,000
NCAA Coach of the Year	\$25,000



^Non-Cumulative Per Applicable Grouping (i.e., only the highest incentive will be paid)."

14. EXHIBIT C of the Agreement shall be deleted in its entirety and replaced with the following:

**“Exhibit C  
EXISTING AGREEMENTS**

Baseball & Softball - Wilson/Louisville Slugger/Hillerich Bradsby: gloves, bats, close-back headwear, catching gear, helmets, catching gear and bat bags.

Golf – TaylorMade (various golf specific hard goods)

Lacrosse – STX sticks - STX sticks, protective eyewear, field gloves, goalie gear, lacrosse balls, shooting nets, string kit, stick bags, head gear, coaches' clip boards.

Rowing – Pockock/Nike boat shoes, Heart Rate monitors, 2XU/Skins Compression, Oakley eyewear

Swimming & Diving – TYR (in water gear)

Volleyball – Molten Volleyballs

University of Louisville Golf Club – various apparel & non-apparel”

15. Section 3(b) of EXHIBIT D of the Agreement shall be deleted in its entirety and replaced with the following:

**“Football**

- Field Level Suite at North End Zone of Football Stadium (includes 18 season tickets in suite; option for up to 8 Standing Room Only tickets per game; 6 suite passes; and 4 premium parking passes).
- 4 home regular season tickets (non-suite tickets).
- 4 sideline passes for home football games, when requested. Best efforts to provide 4 sideline passes for away football games, when requested.
- 8 tickets away or neutral site regular season games
- 16 tickets ACC Championship game
- 16 non-CFP bowl game
- 16 tickets CFP game, best efforts to provide 4 Field passes

**Men's Basketball**

- 12 home regular season tickets (8 4 of which will be in lower level club) -- includes 2 parking passes for all home games.
- Best efforts to provide away tickets upon request.
- 12 ACC conference tournament tickets (8 4 lower level/4 8 upper level)
- NCAA March Madness: 1<sup>st</sup> and 2<sup>nd</sup> Rounds - 8 tickets unless location is less than 300 miles from University, then 4. Sweet 16 - 8 tickets unless location is less than 300 miles from University, then only 6.
- 12 ACC conference tournament tickets (8 4 lower level/4 8 upper level)



- 20 Final Four tickets (Semi-final/Championship) (8 prime location/12 others)
- 8 tickets/passes Men's basketball private practice for sponsors

**Women's Basketball**

- 8 prime location tickets for regular season home games & all post season. (1 parking pass for regular season home games)

**Baseball**

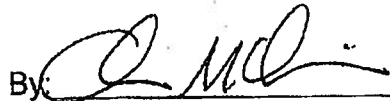
- 8 prime location tickets for regular season home games & all Post-season

**Other sports**

- 4 prime location tickets for regular season & Post-season upon request"

**In Witness Whereof**, the parties have entered into this Amendment as of the Effective Date written above. All terms and conditions of the Agreement not amended herein will remain in full force and effect.

**ADIDAS**

By: 

Chris McGuire,  
Senior Director of Sports Marketing

**UNIVERSITY**

By: 

Tom Jurich  
Vice President/Director of Athletics



Approved as to form by adidas Legal Dept.